

AM2643
LB 1219
DSH-02-17

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DSH-02-17

AMENDMENTS TO LB 1219

1 1. Strike the original sections and insert the following
2 new sections:

3 "Section 1. Section 77-2727, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 77-2727. (1) A partnership as such shall not be subject
6 to the income tax imposed by the Nebraska Revenue Act of 1967.
7 Persons or their authorized representatives carrying on business as
8 partners shall be liable for the income tax imposed by the Nebraska
9 Revenue Act of 1967 only in their separate or individual
10 capacities.

11 (2) The partners of such partnership who are residents of
12 this state or corporations shall include in their incomes their
13 proportionate share of such partnership's income.

14 (3) If any partner of such partnership is a nonresident
15 individual during any part of the partnership's reporting year, he
16 or she shall file a Nebraska income tax return which shall include
17 in Nebraska adjusted gross income that portion of the partnership's
18 Nebraska income, as determined under the provisions of sections
19 77-2728 and 77-2729, allocable to his or her interest in the
20 partnership and shall execute and forward to the partnership, on or
21 before the original due date of the Nebraska partnership return, an
22 agreement which states that he or she will file a Nebraska income
23 tax return and pay income tax on all income derived from or
24 attributable to sources in this state, and such agreement shall be

AM2643
LB 1219
DSH-02-17

AM2643
LB 1219
DSH-02-17

1 attached to the partnership's Nebraska return for such reporting
2 year.

3 (4)(a) ~~In~~ Except as provided in subdivision (c) of this
4 subsection, in the absence of the nonresident individual partner's
5 executed agreement being attached to the Nebraska partnership
6 return, the partnership shall remit a portion of such partner's
7 income which was derived from or attributable to Nebraska sources
8 with its Nebraska return for the reporting year. The amount of
9 remittance, in such instance, shall be the highest individual
10 income tax rate determined under section 77-2715.02 multiplied by
11 the nonresident individual partner's share of the partnership
12 income which was derived from or attributable to sources within
13 this state.

14 (b) Any amount remitted on behalf of any partner shall be
15 allowed as a credit against the Nebraska income tax liability of
16 the partner.

17 (c) Subdivision (a) of this subsection shall not apply to
18 a publicly traded partnership as defined by section 7704(b) of the
19 Internal Revenue Code of 1986, as amended, that is treated as a
20 partnership for the purposes of the code and that has agreed to
21 file an annual information return with the Department of Revenue
22 reporting the name, address, taxpayer identification number, and
23 other information requested by the department of each unit holder
24 with an income in the state in excess of five hundred dollars.

25 (5) The Tax Commissioner may allow a nonresident
26 individual partner to not file a Nebraska income tax return if the
27 nonresident individual partner's only source of Nebraska income was

AM2643
LB 1219
DSH-02-17

AM2643
LB 1219
DSH-02-17

1 his or her share of the partnership's income which was derived from
2 or attributable to sources within this state, the nonresident did
3 not file an agreement to file a Nebraska income tax return, and the
4 partnership has remitted the amount required by subsection (4) of
5 this section on behalf of such nonresident individual partner. The
6 amount remitted shall be retained in satisfaction of the Nebraska
7 income tax liability of the nonresident individual partner.

8 Sec. 2. This act becomes operative for all taxable years
9 beginning or deemed to begin on or after January 1, 2004, under the
10 Internal Revenue Code of 1986, as amended.

11 Sec. 3. Original section 77-2727, Reissue Revised
12 Statutes of Nebraska, is repealed.".